

## WAPA-wide 10-Year Plan Prioritization Customer Input

### Set the Stage:

#### **What is WAPA doing?**

WAPA's Senior Leadership Team has asked the Continuous Process Improvement Office to lead a project to develop a process for prioritizing the appropriated funding of budget items on WAPA's 10-Year Capital Improvement Plan. This prioritization will include both Capital and RRADS (Replacements, Retirements and Additions) budget items.

#### **Why is WAPA doing this?**

With the expectation of flat appropriations and an increase in RRADs and Capital costs due to inflation, current projections indicate that within the next couple of budget formulation years, WAPA may not be able to continue its practice of fully funding its RRADS requirements with appropriations.

#### **Why is WAPA doing this now?**

The earliest projections show this crossover point may begin as early as next year when WAPA begins the FY20 budget formulation cycle. Developing the process now allows the regions time to proactively incorporate any changes into their regional planning cycles, work with customers on customer funding, and be transparent about the process. Even if WAPA has enough appropriations to meet its needs for the FY20 budget formulation, we will be able to use this year as an opportunity to pilot the process and identify potential gaps. Starting the process early will allow for lesson learned and improvements while the need is low.

#### **Why is WAPA coming to me?**

We know our budget process is critically intertwined with our Regionally-based customer funding processes and before developing the process, we are here to seek your input, so we can incorporate your comments as we proceed with this effort. The goal is to develop a process that works well for WAPA, our Regionally-based customer funding processes and is transparent to our customers.

#### **When will I hear from WAPA again?**

We will provide an update on our progress at the WAPA-wide 10-Year Planning Meeting on December 5th.

#### **Why WAPA-wide prioritization?**

WAPA's appropriations are provided by Congress to WAPA. While some large capital projects are often identified specifically in the Budget, RRADS are not provided on a Power System basis. It is WAPA's obligation to allocate the WAPA wide appropriations to each Power System. The Customer funding arrangements differ in each Region and while leveraging data from our Asset Management Program will be helpful in establishing priorities, we are looking for the most



efficient way to manage our appropriated funds to ensure our continued reliable service to you, our customers.

**Specific Questions for Customers:**

1. As we embark on this effort, what can we do to make this as successful as possible in your eyes?
2. What criteria would you use to drive these decisions?
3. What do you need from this process to meet your requirements in the most efficient and effective way?
4. What information do you need (or are you interested in) as we move forward with developing this process?

**Scenarios:**

5. If we have a piece of power system equipment (breaker, switch, etc.) that is 10 years old in SNR and one the exact same age in UGP – but only enough appropriated funds to replace one – what criteria should we use to make that decision?
6. If we were going to bring you a request for customer funding, would you prefer to fund a new server to support a power billing system / business system application or a transformer?
7. Would you prefer we request funding for specific projects... i.e. a transformer for substation X and a breaker for substation Y – or would you prefer we request funding for a Program – i.e. the 10 transformers we plan on replacing this year?

**Closing:**

8. If you are willing to share, is there anything in your long-range project planning process that you believe would be helpful for us to benchmark or learn from?
9. Is there anything else that we haven't asked you about that you would like us to know?

DSW Customers, please contact Ron Moulton, 602.605.2453, [moulton@wapa.gov](mailto:moulton@wapa.gov), prior to November 4, 2016 to discuss or share your thoughts regarding this issue.

